

1 **BILL NO. S-97-12- 03**

2 **RESOLUTION NO. 87-97**

3 **A RESOLUTION DECLARING AN OFFICIAL**
4 **INTENT TO REIMBURSE EXPENDITURES**

5 **WHEREAS**, the City of Fort Wayne (the "Issuer") intends to make certain
6 improvements to the arterial and collector highway system of the
7 Issuer, as described on the attached Exhibit "A" (the "Project"); and

8
9 **WHEREAS**, the City is considering the issuance of a County Economic
10 Development Income Tax (CEDIT) Revenue Bond or other forms of
11 financing to fund all or a portion of the improvements described in
12 Exhibit "A;" and

13 **WHEREAS**, the Issuer reasonably expects to reimburse expenditures for
14 the Project with proceeds of the City of Fort Wayne County Economic
15 Development Income Tax Revenue Bonds of 1998 or from other
16 forms of financing, in the maximum principal amount of One Million
17 Three Hundred Thousand Dollars (\$1,300,000) (the "Bonds"), to be
18 issued for the purpose of financing the Project.

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20 **NOW, THEREFORE, BE IT RESOLVED BY THE COMMON**
21 **COUNCIL OF THE CITY OF FORT WAYNE, INDIANA:**

22 **SECTION 1.** That the Issuer declares its intent to reimburse expenditures
23 for the Project with proceeds of the Bonds or from another form of
24 financing.

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1 **SECTION 2.** That this Resolution be in effect from and after its passage and
2 any and all necessary approval by the Mayor.
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4 
5 _____
6 Council Member

7 APPROVED AS TO FORM AND LEGALITY
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10 _____
11 J. Timothy McCaulay, City Attorney
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EXHIBIT "A"

Description of Project

The City of Fort Wayne will expend funds to design and construct improvements to some or all of the following street segments on the City's highway system. These improvements will include the resurfacing/rehabilitation/reconstruction of pavement, the selected reconstruction of curbing and driveway approaches, the installation of curb ramps, drainage, and site restoration.

1. Washington Boulevard from Broadway to Clinton Street
2. Jefferson Boulevard from Broadway to Clinton Street
3. Reed Road from Stellhorn Road to Trier Road
4. Taylor Street from Broadway to Fairfield Avenue
5. Anthony Boulevard from U.S. Route 27 to Tillman Road?
6. Clay Street from Columbia Avenue to Jefferson Boulevard
7. Lake Avenue from St. Joseph Boulevard to Anthony Boulevard
8. Main Street from Ewing Street to Fairfield Avenue
9. Superior Street from Calhoun Street to Lafayette Street
10. Wells Street from Jacobs Street to Second Street
11. Columbia Avenue from St. Joseph Boulevard to Anthony Street
12. Sherman Boulevard from the Norfolk Southern Railroad to West State Boulevard
13. Washington Boulevard from Garden Street to the St. Mary's River Bridge

MEMORANDUM

TO: Members of the Fort Wayne Common Council

FROM: John Stafford
Director of Strategic Planning

DATE: December 8, 1997

SUBJECT: Resolution declaring intent to reimburse expenditures for certain 1998 highway projects.

Concurrent with adoption of the 1998 City Budget the Council adopted Resolution R-67-97 regarding revenue sources for debt service obligations due in 1998 on the Public Safety Bond and the Park Bond. This resolution also expressed the intent to increase the County Economic Development Income Tax rate between January 1, 1998 and March 31, 1998, with the additional revenues first being distributed in 1999. Under this proposal, CEDIT revenue originally intended to be allocated for the resurfacing, rehabilitation and reconstruction of arterials and collectors would, instead, be allocated to make the previously referenced debt service payments in 1998. Approximately \$1,217,000 was to be allocated to the arterial and collector resurfacing program. Debt service on the two bond issues in 1998 will amount to a total of \$1,594,065.

To accommodate this re-allocation of CEDIT revenues in 1998 and to continue with the arterial and collector resurfacing program in 1998, it was envisioned that a short-term CEDIT revenue bond would be issued in 1998 in the amount of approximately \$1,300,000. I have attached, for your reference, the handout originally distributed to the Council during the budget presentation which outlined this strategy.

The resolution now under consideration is necessary to allow the City to reimburse expenditures incurred for the design and rehabilitation of the selected arterials and collectors from the proceeds of such a CEDIT revenue bond for those expenses incurred before the bond is actually issued. Included as Exhibit A to the Resolution is a listing of roadway segments from which 1998 projects will be selected. It is not anticipated, based on preliminary analysis, that the funds available will be sufficient to complete this entire list. The projects described in Exhibit A were selected by the engineering and maintenance staff based upon pavement condition, travel demand and the roadway segments relationship to other construction projects.

Memorandum - Resolution declaring intent to reimburse expenditures for certain 1998 highway projects. - (Continued)
December 8, 1997
Page 2

While this Resolution presupposes a 1998 CEDIT Revenue Bond in the amount of approximately \$1,300,000, we are committed to reducing the size of the issue to the greatest extent possible to reduce interest expenses. We will utilize cash balances currently available in the CEDIT Fund, the Local Road and Street Fund and the Motor Vehicle Highway Fund whenever possible in lieu of issuing debt. In such cases, future CEDIT revenues in 1999 and 2000 which would have been allocated to debt service on the 1998 CEDIT Revenue Bond would, instead, be used to reimburse these funds. If we are able to reduce the size of the bond issue significantly, we would consider a short-term loan for the remainder of funds needed rather than incur the indirect expenses associated with a bond issue. For this later reason, the phrase "or other forms of financing" has been included where appropriate in the language of the resolution.

I recognize that this is a somewhat complex explanation of what appears to be a rather straight forward resolution. I would be most happy to discuss the details with you individually prior to the December 16th meeting. I will, of course, also be at that meeting for a full presentation during the Council's Committee Session. I can be reached at 427-1106. Thank you for your consideration of the resolution.

cc: Paul Helmke, Mayor
Sandra Kennedy, City Clerk
Greg Purcell, Chief of Staff
Kathy Friend, City Controller
Linda Buskirk, Director of Public Works
Ann Smith, Associate Director of Public Works
Dave Ross, City Engineer
Tim McCaulay, City Attorney
Rick Orr, Public Works Finance Manager



Alternate Plan for Financing the 1998 Budget and Beyond

Alternate Plan for Financing the 1998 Budget and Beyond

- Pay Debt Service with CEDIT in 1998
 - Park Bond - \$1,105,975
 - Public Safety Bond - \$488,090
- Result: 3% reduction in estimated 1998 property tax rate. From 9.3% to 6.2%.
- Additional benefit to taxpayers: Since PTRC is not paid on Debt Service rate, the shift is a 100% benefit vs. 80% for alternative General Fund shifts.

City of Fort Wayne
1998 Budget Projections
With Option to Increase CEDT to .3%

	Est. Cash Balance 1/1/98	Misc. Revenue 1998	Adjust. Excise/ FIT Due to CEDIT Adj.	Est. Budget 1998	CEDIT Adjustment	Net Property Tax to be Raised	Est. Cash Balance 12/31/98	Levy Excess	Tax Levy	Est. Assessed Value	Est. 98 Tax Rate	97 Tax Rate	% Increase
Fund													
010 General	4,898,965	22,422,370	142,317	(50,448,311)		26,388,502	3,403,843				1.6716	1.4555	14.85%
011 Fire	240,420	1,435,390	1,480	(17,425,433)		15,748,143	-				1.0301	0.9632	4.77%
121 Park	352,978	2,937,437	(26,595)	(8,963,907)		5,700,087	-				0.3696	0.3624	2.00%
123 Redevelopment Gen.	10,420	30,710	(403)	(260,651)		218,924	-				0.0139	0.0130	7.16%
429 Domestic Violence	2,688	483	-	(7,300)		4,129	-				0.0003	-	N/A
subtotal	5,505,477	26,826,390	116,799	(77,105,602)	-	48,060,785	3,403,843	48,060,785	1,557,623,481	3.0855	2.8141	9.65%	
140 Fire Pension	-	3,241,073	72,729	(6,408,248)		3,094,446	-				0.2024	0.1442	40.37%
141 Police Pension	-	3,421,664	60,493	(6,478,521)		2,996,364	-				0.1898	0.1422	33.48%
142 Sanitary Pension	90,213	28,043	(1,669)	(354,820)		238,233	-				0.0151	0.0157	-3.88%
201 Debt Service	-	165,194	(165,194)	(488,090)		488,090	-				0.0000	0.1149	-100.00%
202 Park Debt Service	10,694	83,158	(83,158)	(1,105,975)		-	10,694				0.0000	0.0587	-100.00%
subtotal	100,907	6,939,132	(116,799)	(14,835,654)	1,594,065	6,329,043	10,694	6,329,043	1,553,870,056	0.4073	0.4757	-14.38%	
Total Property Tax Supported Funds	5,606,378	33,765,522	-	(91,941,256)	1,594,065	54,389,828	3,414,537	54,389,828	1,557,185,784	3.4928	3.2898	6.17%	
012 Solid Waste	(17,301)	4,894,300		(5,245,031)		-	(378,032)						
128 M/V	3,525,446	7,094,382		(8,517,038)		-	2,092,790						
130-	638,746	881,089		(735,785)		-	784,040						
132 Parking						-							
138 LR & S	1,958,176	4,212,598		(3,595,689)		-	2,575,065						
344 Redevel. Cap.	122,024	500,000		(500,000)		-	122,024						
345 Cum. Cap. Fund	796,861	1,754,520		(1,268,628)		-	1,282,753						
Total Tax Hearing Funds	12,630,330	53,082,411	-	(111,803,437)	1,594,065	54,389,828	9,893,197						
153 Law Enforcement Tr.	216,825	175,000		(176,500)		-	215,325						
166 Cable TV	92,100	510,000		(510,000)		-	92,100						
355 Park Cum. Building	16,352	307,500		(300,000)		-	23,852						
431 CEDIT	1,286,745	7,272,282		(5,735,585)	(1,594,065)	-	1,229,377						
Total Budgeted Funds	14,242,352	61,347,193	-	(118,525,522)	-	54,389,828	11,453,851						

Alternate Plan for Financing the 1998 Budget and Beyond

■ Continue to pay Debt Service with CEDIT in 1999

- Park Bond - \$1,143,363
- Public Safety Bond - \$491,113

■ Pay new debt with CEDIT in 1999

- 1997 Municipal Building Corp. Lease - \$2,115,045
- This would reduce an increase in the 1999 property tax rate by approximately 4%.

Cedit Options

	Increase to .3% Option Move PT Budgets to CEDIT in 1998 Bond Issue for Arterial & Collectors		
	<u>1998</u>	<u>1999</u>	<u>2000</u>
Beginning Available Cash	37,000	(20,368)	(171,131)
Estimated Revenue	<u>7,272,282</u>	<u>10,908,423</u>	<u>11,320,946</u>
Available Cash	<u>7,309,282</u>	<u>10,888,055</u>	<u>11,149,815</u>
Estimated Expenses:			
<u>\$12.5 CEDIT bond</u>	2,127,585	2,120,153	2,120,460
<u>Arterial/Collectors</u>			
Pay from CEDIT balance		1,000,000	770,000
Pay 98 proj. from \$1.3 CEDIT bond		694,512	694,512
Shift 98 proj. to 99			
<u>Federal Aid Projects:</u>			
Maplecrest	155,000	-	-
Clinton	-	-	500,000
<u>Other CIP Projects:</u>			
Neighborhood Projects	2,450,000	2,450,000	2,450,000
Resurfacing	400,000	400,000	400,000
UDIS	50,000	50,000	50,000
Bow Contingency	100,000	100,000	100,000
Annexation Commitments	78,000	120,000	80,000
<u>Possible New Projects:</u>			
Sewer Loan	75,000	75,000	75,000
Transfer to Park Cum Bldg. Fund	300,000	300,000	300,000
<u>Shifts from Property Tax:</u>			
Economic Development Dept.			
<u>Debt:</u>			
Safety Bond	488,090	491,113	493,016
Park Bond	1,105,975	1,143,363	1,378,572
Fire Dept. leases	-	-	-
Police Dept. leases	-	-	-
Animal Control Bldg	-	569,907	476,629
Wallace Street	-	931,307	777,262
Fire Stations-10 & Lahmeyer	-	613,831	512,464
800 mhz	-	-	-
Fire Station-Getz Road	-	-	-
Total Shift from Property Tax	<u>1,594,065</u>	<u>3,749,521</u>	<u>3,637,943</u>
Total Estimated Expenses	<u>7,329,650</u>	<u>11,059,186</u>	<u>11,177,915</u>
Ending Available Cash	(20,368)	(171,131)	(28,101)

EXHIBIT "A"

Description of Project

The City of Fort Wayne will expend funds to design and construct improvements to some or all of the following street segments on the City's highway system. These improvements will include the resurfacing/rehabilitation/reconstruction of pavement, the selected reconstruction of curbing and driveway approaches, the installation of curb ramps, drainage, and site restoration.

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8. Main Street from Ewing Street to Fairfield Avenue
9. Superior Street from Calhoun Street to Lafayette Street
10. Wells Street from Jacobs Street to Second Street
11. Columbia Avenue from St. Joseph Boulevard to Anthony Street
12. Sherman Boulevard from the Norfolk Southern Railroad to West State Boulevard
13. Washington Boulevard from Garden Street to the St. Mary's River Bridge

How can we do this?

- Increase the CEDIT rate from .2% to .3% in the Spring of 1998

- Workers begin paying July 1, 1998
- City receives distribution in 1999 (\$3.6)

- Continue 98 arterial street rehabilitation program of \$1,217,000

- Issue a \$1.3 CEDIT bond, repay in 1999 and 2000
- Consider increasing bond issue to pay for larger district capital projects

Why CEDIT and not COIT?

- COIT can be used for all purposes
- CEDIT can be used for capital and economic development purposes
- COIT distribution is based on actual levy, CEDIT distribution is based on population
- For each .1% we receive \$2.0 more CEDIT than COIT

How would this affect Allen County?

- The County gets approximately the same distribution for each .1% of either tax.
- The County has more needs that can be served by COIT vs. CEDIT.
- Propose State legislation allowing Allen Co. to use CEDIT revenues for criminal justice operating expenses.

Other CREDIT options:

- Leave the rate at .2%
- Increase to .3%, shift expenses in 99 instead of 98, no bond issue
- Increase to .4%, shift expenses in 98, delay 98 arterials to 99

Cedit Options

	No Increase in CEDIT		
	<u>1998</u>	<u>1999</u>	<u>2000</u>
Beginning Available Cash	37,000	356,697	1,013,826
Estimated Revenue	<u>7,272,282</u>	<u>7,272,282</u>	<u>7,547,297</u>
Available Cash	<u>7,309,282</u>	<u>7,628,979</u>	<u>8,561,123</u>
Estimated Expenses:			
<u>\$12.5 CEDIT bond</u>	2,127,585	2,120,153	2,120,460
<u>Arterial/Collectors</u>			
Pay from CEDIT balance	1,217,000	1,000,000	770,000
Pay 98 proj. from \$1.3 CEDIT bond			
Shift 98 proj. to 99			
<u>Federal Aid Projects:</u>			
Maplecrest	155,000	-	-
Clinton	-	-	500,000
<u>Other CIP Projects:</u>			
Neighborhood Projects	2,450,000	2,450,000	2,450,000
Resurfacing	400,000	400,000	400,000
UDIS	50,000	50,000	50,000
Bow Contingency	100,000	100,000	100,000
Annexation Commitments	78,000	120,000	80,000
<u>Possible New Projects:</u>			
Sewer Loan	75,000	75,000	75,000
Transfer to Park Cum Bldg. Fund	300,000	300,000	300,000
<u>Shifts from Property Tax:</u>			
Economic Development Dept.			
Debt:			
Safety Bond			
Park Bond			
Fire Dept. leases			
Police Dept. leases			
Animal Control Bldg			
Wallace Street			
Fire Stations-10 & Lahmeyer			
800 mhz			
Fire Station-Getz Road			
<i>Total Shift from Property Tax</i>			
Total Estimated Expenses	<u>6,952,585</u>	<u>6,615,153</u>	<u>6,845,460</u>
Ending Available Cash	356,697	1,013,826	1,715,663

Cedit Options

	Increase to .3% Option Move PT Budgets to CEDIT in 1999		
	<u>1998</u>	<u>1999</u>	<u>2000</u>
Beginning Available Cash	37,000	356,697	900,446
Estimated Revenue	<u>7,272,282</u>	<u>10,908,423</u>	<u>11,320,946</u>
Available Cash	<u>7,309,282</u>	<u>11,265,120</u>	<u>12,221,392</u>
Estimated Expenses:			
<u>\$12.5 CEDIT bond</u>	2,127,585	2,120,153	2,120,460
<u>Arterial/Collectors</u>			
Pay from CEDIT balance	1,217,000	1,000,000	770,000
Pay 98 proj. from \$1.3 CEDIT bond			
Shift 98 proj. to 99			
<u>Federal Aid Projects:</u>			
Maplecrest	155,000	-	-
Clinton	-	-	500,000
<u>Other CIP Projects:</u>			
Neighborhood Projects	2,450,000	2,450,000	2,450,000
Resurfacing	400,000	400,000	400,000
UDIS	50,000	50,000	50,000
Bow Contingency	100,000	100,000	100,000
Annexation Commitments	78,000	120,000	80,000
<u>Possible New Projects:</u>			
Sewer Loan	75,000	75,000	75,000
Transfer to Park Cum Bldg. Fund	300,000	300,000	300,000
<u>Shifts from Property Tax:</u>			
Economic Development Dept.			
Debt:			
Safety Bond		491,113	493,016
Park Bond		1,143,363	1,378,572
Fire Dept. leases		-	-
Police Dept. leases		-	-
Animal Control Bldg		569,907	476,629
Wallace Street		931,307	777,262
Fire Stations-10 & Lahmeyer		613,831	512,464
800 mhz		-	-
Fire Station-Getz Road	-	-	-
Total Shift from Property Tax	<u>-</u>	<u>3,749,521</u>	<u>3,637,943</u>
Total Estimated Expenses	<u>6,952,585</u>	<u>10,364,674</u>	<u>10,483,403</u>
Ending Available Cash	356,697	900,446	1,737,989

Cedit Options

Increase to .4% Option
Move PT Budgets to CEDIT in 1998
All Debt to CEDIT in 99
Delay 98 Art. & Coll. to 99

	<u>1998</u>	<u>1999</u>	<u>2000</u>
Beginning Available Cash	37,000	(20,368)	32,436
Estimated Revenue	<u>7,272,282</u>	<u>14,544,564</u>	<u>15,094,594</u>
Available Cash	<u>7,309,282</u>	<u>14,524,196</u>	<u>15,127,030</u>
Estimated Expenses:			
<u>\$12.5 CEDIT bond</u>	2,127,585	2,120,153	2,120,460
<u>Arterial/Collectors</u>			
Pay from CEDIT balance	-	2,217,000	770,000
Pay 98 proj. from \$1.3 CEDIT bond	N/A	N/A	N/A
Shift 98 proj. to 99			
<u>Federal Aid Projects:</u>			
Maplecrest	155,000	-	-
Clinton	-	-	500,000
<u>Other CIP Projects:</u>			
Neighborhood Projects	2,450,000	2,450,000	2,450,000
Resurfacing	400,000	400,000	400,000
UDIS	50,000	50,000	50,000
Bow Contingency	100,000	100,000	100,000
Annexation Commitments	78,000	120,000	80,000
<u>Possible New Projects:</u>			
Sewer Loan	75,000	75,000	75,000
Transfer to Park Cum Bldg. Fund	300,000	300,000	300,000
<u>Shifts from Property Tax:</u>			
Economic Development Dept.	-	696,008	716,888
<u>Debt:</u>			
Safety Bond	488,090	491,113	493,016
Park Bond	1,105,975	1,143,363	1,378,572
Fire Dept. leases	-	1,070,715	1,161,722
Police Dept. leases	-	1,143,363	1,378,572
Animal Control Bldg	-	569,907	476,629
Wallace Street	-	931,307	777,262
Fire Stations-10 & Lahmeyer	-	613,831	512,464
800 mhz	-	-	645,271
Fire Station-Getz Road	-	-	300,000
Total Shift from Property Tax	<u>1,594,065</u>	<u>5,963,599</u>	<u>7,123,508</u>
Total Estimated Expenses	<u>7,329,650</u>	<u>14,491,760</u>	<u>14,685,856</u>
Ending Available Cash	(20,368)	32,436	441,174

Read the first time in full and on motion by Admunt,
and duly adopted, read the second time by title and referred to the Committee on
Finance, (and the City Plan Commission for recommendation)
and Public Hearing to be held after due legal notice, at the Common Council Conference
Room 128, City-County Building, Fort Wayne, Indiana, on _____,
the _____ day of _____, 19____, at
o'clock _____ M., E.S.T.

DATED: 12-9-97

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Schmidt,
and duly adopted, placed on its passage. PASSED LOST
by the following vote:

	AYES	NAYS	ABSTAINED	ABSENT
TOTAL VOTES	<u>8</u>			<u>1</u>
BENDER	<u>✓</u>			
CRAWFORD	<u>✓</u>			
EDMONDS				<u>✓</u>
HALL	<u>✓</u>			
HAYHURST	<u>✓</u>			
HENRY	<u>✓</u>			
LUNSEY	<u>✓</u>			
RAVINE	<u>✓</u>			
SCHMIDT	<u>✓</u>			

DATED: 12-16-97

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana,

as (~~ANNEXATION~~) (~~APPROPRIATION~~) (~~GENERAL~~) (~~SPECIAL~~)
(~~ZONING~~) ORDINANCE RESOLUTION NO. R-87-97
on the 16th day of December, 1997

Sandra E. Kennedy ATTEST: Thomas P. Helmke
SANDRA E. KENNEDY, CITY CLERK PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the
17th day of December, 1997
at the hour of 3:00 o'clock P, M., E.S.T.

Approved and signed by me this 22nd day
of December, 1997, at the hour of 3:00
o'clock P M., E.S.T.

Paul Helmke
PAUL HELMKE, MAYOR

BILL NO. 8-97-12-03

REPORT OF THE COMMITTEE ON FINANCE

DONALD J. SCHMIDT - JOHN N. CRAWFORD - CO-CHAIR
ALL COUNCIL MEMBERS

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS
REFERRED AN (ORDINANCE) XXXXXXXXXX (RESOLUTION) declaring an Official
Intent to reimburse expenditures

HAVE HAD SAID (ORDINANCE) (~~RESOLUTION~~) UNDER CONSIDERATION
AND BEG LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID
(ORDINANCE) (~~RESOLUTION~~) _____

DO PASS

DO NOT PASS

ABSTAIN

NO REC

DO PASS

W. Belmont
Thomas Haykins
Walter A. Burr
Richard Murray
John C. Henry
John W. Crawford
Debra Hall
Rebecca Cavins

DATED :

Sandra E. Kennedy
City Clerk